



ChargePoint, EVgo, Rivian, and Tesla (collectively, the Joint EV Industry Parties) submitted opening comments on the questions regarding EV rates in the NOI on November 16, 2020, with a focus on commercial EV rates. In general, there was consensus among stakeholders that designing rates for commercial EV charging use cases is an important element of the rate design topics raised by this NOI and that evaluating demand charge alternatives for commercial EV charging customers is important. Our brief reply comments are focused on clarifying elements of topics raised in stakeholders opening comments that do not reiterate our comments on commercial EV rates. These include exploring managed charging as an option for certain charging use cases, grid integration, and pass through of price signals to EV drivers.

Technology Enabled Managed Charging Options

Several parties discuss opportunities for utilizing technology for managed charging either in addition to or instead of providing accurate rate signals to customers to ensure beneficial grid integration of EV charging load. For instance, Greenlots specifically states that “though outside the direct scope of this NOI, it is important to also note that technology can be used to manage load not only as a complement to rate design, but as an alternative.”¹ Additionally, Greenlots finds that “non-cost-reflective EV charging rates such as demand charge credits or incentives can potentially diminish this underlying value that EV charging has to offer ratepayers.”² The Alliance for Transportation Electrification (ATE), on the other hand, indicates that “in the near-term technology will be capable and will play a vital role in alleviating the impacts of demand charges” citing such technologies as storage and smart charging, if the customer has flexibility.³

We are supportive of exploring technology options for managing charging to help with efficient grid integration of EV load. We believe that managed charging is a complement to appropriate rate design, rather than an alternative. Appropriate price signals via rate design such as time-of-use (TOU) rates or rates for low-load factor installations, should be the building block of any grid integration strategy for EV charging load. When considering the viability of technology options to layer on-top of appropriate rate designs, it is important to determine the flexibility or elasticity of the various charging use cases and how that impacts the driver or customer experience at this stage of EV deployment. For certain use cases, such as public direct current fast charging (DCFC), where customers require a quick charge “on the go”, technology options alone may not be an appropriate alternative to rate design.

As compared long dwell time charging at workplaces or at home, DCFC fast charging is based on short dwell times (typically less than an hour) and meeting an on-demand needs such as someone traveling along a highway corridor needing to charge in order to complete their trip. Therefore, DCFC is inherently inelastic compared to Level 2 charging at a workplace or home, which are both longer dwell time locations.

¹ Greenlots Opening Comments, 20-NOI-03, p.4

² *Id.*, p.5.

³ ATE Opening Comments, 20-NOI-03, p.6.

While technology enabled managed charging is appropriate to evaluate as an additional option to layer on top of any rate design strategy, it is less feasible to integrate for public DCFC use cases today as this could also negatively impact the customer experience. Generally, DCFC charging station operators on TOU rates are incentivized to leverage their experience and innovate to ensure that the costs of the charging service are minimized while also preserving a seamless customer experience. The Joint EV Providers are therefore supportive of exploring technology enabled options for managed charging but do not support this as an alternative strategy for rate design, especially not in lieu of developing commercial EV rates for public DCFC.

Pass Through Price Signals to EV Drivers

As EV charging infrastructure continues to evolve, there is an opportunity to evaluate customer response to different types of price signals, without negatively impacting the customer experience. Charging operators, for instance, may choose to integrate congestion pricing or idle fees for particularly popular charging sites in order to incentivize customers to not linger after finishing charging. However, each application is unique and must be carefully evaluated.

The Citizens Utility Board (CUB) and Environmental Defense Fund (EDF), recommend that “the Commission should consider whether it is appropriate to ensure a structure in which load at public charging stations is managed through passed-through price signals that ensure drivers themselves experience some or all of the cost of peak demand in order to avoid straining the grid.”⁴ The Joint EV Providers appreciate consideration of this option but do not support any mandatory pass through of price signals to customers, nor is a mandatory pass-through a norm for other programs across the country.

The mandatory pass through of electric rates to EV drivers creates several operational challenges for charging station operators. For example, directly passing through the TOU rate to customers simply recovers the utility’s costs for producing and delivery electricity to the location. It does not include the other operating costs of a charging station on top of electricity, such as maintenance, electricity losses in the AC to DC conversation, or the recovery of the fixed costs of the charging equipment or other development costs.⁵ Moreover, mandating variable prices by time of day for certain charging use cases such as DCFC may conflict with the consumer experience that a charging operator wants to provide for its customers and confuse EV drivers, who are still in the early adopter stage in this technology and may be familiar with gas stations that typically change pricing every couple of days. Finally, the utility’s TOU periods reflect congestion, on their electrical network, while charging network operators may prefer to send time- varying price signals that reflect congestion at charging stations, which may not necessarily align with congestion on the utility network but helps to improve customer experience and EV adoption by encouraging drivers to charge at less busy times and therefore minimize the

⁴ CUB and EDF Opening Comments, 20-NOI-03, p.14.

⁵ For more information on the cost stack of DCFC, see EVgo whitepaper: https://www.evgo.com/wp-content/uploads/2020/05/2020.05.18_EVgo-Whitepaper_DCFC-cost-and-policy.pdf

likelihood they will have to wait in line to fuel. A site host may want to set different pricing for DCFC stations where dwell times are much shorter in order to maintain a positive customer experience, especially in terms of site access in time of charging need, which is critically important to encourage EV adoption. Rather than directly passing through the TOU rate to customers, operators and site hosts should continue to be allowed to set pricing for their service as well as determine how best to respond to the utility's price signal. Other services which buy electricity, such as a laundromat, are not required to have customers pay more for laundry services during peak times, even if they are on a TOU rate, and therefore, if EV operators are to move to commercial EV rates with a time of use component, they should not be treated as different from other sources of load.

Conclusion

The Joint EV Industry Parties thank the Commission for the opportunity to provide these reply comments and look forward to continued engagement on this NOI. Rate design is critical to driving investment in infrastructure investments in Illinois

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